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## WAIVER

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The Company has applied for, and the Stock Exchange has granted, the following material waiver.

### MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules on the basis that, as our principal business operations are located in the PRC, our management is best able to attend to its functions by being based in the PRC. We have received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives are Mr. Li Jianming, our executive Director, and Ms. Ho Wing Yan, our Company Secretary. Ms. Ho Wing Yan is an ordinary resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile or e-mail;
- (b) both the authorized representatives have means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. We will implement a policy whereby each Director will provide his mobile phone number, office phone number, fax number and e-mail address to the Stock Exchange;
- (c) each Director, who is not an ordinary resident in Hong Kong has confirmed that he possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time, when required; and
- (d) in compliance with Rule 3A.19 of the Listing Rules, we have appointed Piper Jaffray Asia Limited as compliance advisor for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules to provide us with advice on compliance with the Listing Rules. Our compliance advisor will act as an additional channel of communication between the Stock Exchange.